

MMS Alaska OCS Region

News Release

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MMS Issues the Proposed Notice of Sale for Beaufort Sea Sale 186

The Department of the Interior's Minerals Management Service issued the Proposed Notice of Sale for Beaufort Sea OCS Lease Sale 186, tentatively scheduled for September 2003. The Proposed Notice describes the potential sale area and requirements for protecting the environment. MMS also issued the final environmental impact statement that evaluates Sale 186 plus two other proposed sales in the Beaufort Sea -- Sale 195 scheduled for 2005 and Sale 202 scheduled for 2007. The notice of availability for the final EIS was issued on February 14, 2003.

The Department is proposing that the entire sale area be offered for lease. The sale area includes approximately 1,850 whole or partial blocks encompassing about 9.7 million acres offshore Alaska's northern coast in the Beaufort Sea. The proposed sale area extends from the Canadian border on the east to near Barrow on the west. MMS developed seven lease stipulations to help minimize effects to the environment and to the Inupiat people from any development of the area's oil and gas resources.

These stipulations include requirements for protection of biological resources, including spectacled and Steller's eiders, use of pipelines rather than tankers, and methods to minimize interference with subsistence whaling and other subsistence harvesting activities.

"We believe that these stipulations have in the past and will continue to reduce environmental effects and conflicts with the bowhead subsistence hunts and other subsistence activities," said MMS Regional Director John Goll. "MMS will continue to work closely with North Slope communities, the Alaska Eskimo Whaling Commission, local, State and federal agencies, and the industry whenever activity occurs."

The Proposed Notice also includes proposed royalty suspensions on the production of oil and condensate, subject to price thresholds.

The Proposed Notice is being sent to the Governor of Alaska, who has 60 days to comment on the size, timing, and location of the proposed sale. After addressing the Governor's comments, if the Department decides to proceed with the sale, a Final Notice of Sale for Beaufort Sea Sale 186 will be published in the Federal Register at least 30 days prior to the date of the public opening of the bids. The Final Notice of Sale Package will contain all sale terms, conditions, and detailed instructions to bidders. The Sale is tentatively scheduled for September 2003.

To request a copy of the Proposed Notice of Sale or the Final EIS, write to the Minerals Management Service at 949 East 36th Avenue, Anchorage, Alaska, 99508-4302, via email at

akwebmaster@mms.gov, or call toll-free at 1-800-764-2627. The final EIS is also available on CD-ROM, four-volume hard copy, or on the MMS webpage at www.mms.gov/alaska. You may view the Final EIS at libraries throughout the state.

MMS is the Federal agency in the U.S. Department of the Interior that manages the nation's oil, natural gas, and other mineral resources on the Federal outer continental shelf. The agency also collects, accounts for, and disburses mineral revenues from Federal and American Indian leases. These revenues totaled more than \$6 billion in 2002 and nearly \$127 billion since the agency's creation in 1982. Annually, nearly \$1 billion from those revenues go into the Land and Water Conservation Fund for the acquisition and development of state and Federal park and recreation lands.

.Additionally, the State of Alaska receives 27% of all revenues generated as a result of federal leases that lie within 3-to-6 miles offshore the Alaska coast, and 50% of this money goes into the Alaska Permanent Fund Account.

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